



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/481,126	01/11/2000	Douglas R. Elliott	TEQ11117002	5216
32233	7590	10/12/2005	EXAMINER	
STORM L.L.P. BANK OF AMERICA PLAZA 901 MAIN STREET, SUITE 7100 DALLAS, TX 75202			DASS, HARISH T	
			ART UNIT	PAPER NUMBER
			3628	

DATE MAILED: 10/12/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/481,126	ELLIOTT, DOUGLAS R.	
	Examiner Harish T. Dass	Art Unit 3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 18 January 2005.
- 2a) This action is **FINAL**. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-6 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 1-6 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) All b) Some * c) None of:
1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) Notice of References Cited (PTO-892)
- 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date 6/7/2004
- 4) Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) Notice of Informal Patent Application (PTO-152)
- 6) Other: _____

DETAILED ACTION

Note: Examiner acknowledges the receipt of Response to Requirement for Information under 37 CFR 1.105.

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1-6 are rejected Champion et al (hereinafter Champion – US 5,126,936) in view of Risen, Jr. et al (Hereinafter Risen: US 6,018,714), (Reilly et al "The valuation of health care intangible assets", Health Care Management Review, Gaithersburg, Spring 1997, Vol. 22, Iss 2; pg. 55, 10 pages) hereinafter Reilly and (DeMatteis "From Patent to Profit Secrets & Strategies Fro The Successful Investor", Avery, 1998; ISBN 0-89529-79-1) hereinafter DeMatteis.

Re. Claim 1, Champion discloses a) defining a plurality of investor accounts in at least one electronic database [Champion see entire document particularly, Fig. 2; Abstract; C1 L5 to C3 L55; C5 L64 to C6 L11],

(b) transferring an initial monetary amount from each of a plurality of investors to said investment entity (such as REIT) [C1 L30; C4 L66 to C5 L18 – REIT is an entity where investors transfer their money],

(c) associating said initial amount from each of said plurality of investors with a respective one of said plurality of investor accounts in the at least one electronic database [Champion-Figures 6, 7a-7B; C1 L5 to C3 L55; C5 L64 to C6 L11; C8 L13-L22],

(d) identifying the initial ownership of a patent (owner of mutual fund) in the at least one electronic database [Champion – Fig.],

(e) using at least one algorithm for assessing a value of the fund, and entering the assessed value of the patent in the at least one electronic database [Champion - C10 L29-L67], and

(i) allocating said at least one payment from said initial user ownership to such respective one of said plurality of investor accounts in the at least one electronic database [Champion – C4 L1-L28].

Champion, explicitly, does not disclose assessing the value of the patent,

(f) paying a monetary amount from said investment entity (provide compensation) to said initial ownership of said patent upon the transfer of title (transfer of ownership) to said patent to a subsequent owner other than the plurality of investors,

(g) granting at least one right under the patent to said initial owner of said patent,

(h) obtaining at least one payment (partial) from an initial user of said patent.

However, Risen discloses (f) paying a monetary amount from said investment entity (to provide compensation) to said initial ownership of said patent upon the transfer of title (transfer of ownership) to said patent to a subsequent owner other than the plurality of investors [Risen- see entire document particularly, Abstract; C2 L48 to C3 L16; C8 L44 to C9 L43; C26 L12-L33 – it is known that the payment is done by the buyer to seller weather the buyer(s) or seller(s) are individual, corporation, limited partnership, or etc. in exchange for an item, commodity, royalty (licensee to licensor) or property (patent)],

(h) obtaining at least one payment (partial) from an initial user of said patent [C2 L48 to C3 L16; C8 L44 to C9 L43; C26 L12-L33].

Reilly discloses assessing the value of the patent [pages 55-64] to appraise the value of intangible assets for remaining useful life of intellectual property.

DeMatteis discloses granting at least one right under the patent to said initial owner of said patent [see entire document (pages 245-263) particularly pages 245-248, 262 – see also Retaining Ownership page 262] to allow the initial owner to continue marketing the product under sale agreement.

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Champion, and include evaluation and transfer of ownership of financial asset (such as intellectual property) to new owner, transaction payments, assessing the value of the patent, granting at least one right under the patent to said initial owner of said patent and, as are disclosed by Risen, Reilly and DeMatteis, to appraise the value of the patent for appropriated and

reasonable compensation (payment) to purchase the intellectual property, transfer of title of ownership to clear the legal aspect of the deal and issue a license to individual or entity to market the product for future income.

Re. Claim 2, Champion discloses (g) associating with each respective one of said plurality of investor accounts in the at least one electronic database the proportion of the amount paid to the initial owner that came from each respective one of said plurality of investor accounts [Champion-Figures 6, 7a-7B; C1 L5 to C3 L55; C5 L64 to C6 L11; C8 L13-L22],

j) using at least one algorithm for allocating to each respective one of said plurality of investor accounts in the at least one database a portion of said at least one payment from said initial user representing the proportion of the payment to transfer title associated with each respective one of said plurality of investor accounts [Champion – Figures 5-7B; C4 L1-L28; C10 L29-L67].

Champion, explicitly, does not disclose

- (a) identify a patent covering an invention in use by at least an initial user and
- (b) identifying an initial ownership of the patent, and
- (c) using at least one algorithm for assessing the value of the patent based, at least in part, on the anticipated future use of the -patent by the initial user and entering the assessed value of the patent in at least one electronic database, and
- (d) using at least one algorithm (procedure) for determining a cash flow stream containing at least one payment related to the assessed value of the patent, and

(e) paying in at least one payment to said initial ownership an amount related to the assessed value of the patent in the electronic database in exchange for transfer of title to said patent to a subsequent owner other than the initial ownership, and

(f) obtaining the amount paid for transfer of title from a plurality of investor accounts,

(h) granting a license to said initial user for the use of said patent from said subsequent owner in exchange for an agreement by said initial user to make at least one payment to the investment entity related to the assessed value of the patent at a specified time after the payment is made to transfer title, and

(i) collecting at least one payment from said initial user, said payment being entered into the at least one electronic database.

However, Risen discloses (a) identify a patent covering an invention in use by at least an initial user and

(b) identifying an initial ownership of the patent [Risen - C27 L25-L30], and

(e) paying in at least one payment to said initial ownership an amount related to the assessed value of the patent in the electronic database in exchange for transfer of the title to said patent to a subsequent owner other than the initial ownership [C2 L48 to C3 L16; C8 L44 to C9 L43; C26 L12-L33 – it is known that the payment is done to immediate seller (subsequent owner) for example, I buy a Sony radio, I pay to merchant not to Sony Corporation], and

(f) obtaining the amount paid for transfer of title from a plurality of investor accounts [Risen- C2 L48 to C3 L16; C8 L44 to C9 L43; C26 L12-L33],

(i) collecting at least one payment from said initial user, said payment being entered into the at least one electronic database [Risen- see entire document particularly, Abstract; C2 L48 to C3 L16; C8 L44 to C9 L43; C26 L12-L33].

Reilly, discloses (c) using at least one algorithm (approach) for assessing a value of the patent based, at least in part, on the anticipated future use of the patent by the initial user and entering the assessed value of the patent in at least one electronic database [see pages 55-64 particularly page 57 -- use can be any one including initial user who has the license and pays the licensing fees and the account and evaluation records can be kept in electronic database or in electronic format], and

(d) using at least one algorithm for determining a cash flow stream containing at least one payment related to the assessed value of the patent [pages 55-64 particularly page 57-58 – license transaction].

DeMatteis discloses (h) granting a license to said initial user for the use of said patent from said subsequent owner in exchange for an agreement by said initial user to make at least one payment to the investment entity related to the assed value of the patent at a specified time after the payment is made to transfer title [see pages 245-263],

additionally, It is known that mathematically, a portion of a payment is proportional of a payment and if the total payment is divided to number of equal payments, than it is a proportional payment (payment = total due/number of payments) and distribution be made based on the portion of the investor ownership.

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Champion, and include the above features (features not disclosed by Champion), as are disclosed by Risen, Reilly and DeMatteis, locate an intellectual property for sale and make appropriate acquisition arrangement (evaluate the property(ies) (intangible assets), search title of ownership (individually owner, co-assignee, assigned to a corporation), make payments to buyer, transfer the title similar to purchasing a property) and license the manufacturing, marketing, etc based on the buyer's business model for example, Oracle's purchase of People Software including portfolio of patents, allows the Oracle to keep some of the IP for itself, some to license and may some to sell to others depending on Oracle's business choice and future income.

Re. Claim 3, Champion discloses (c) using at least one algorithm for assessing a value of the patent and entering the assessed value of the patent in at least one electronic database [Champion -C10 L29-L67],

(e1) allocating said payment to the original ownership to a plurality of investor accounts in the at least one electronic database [Champion – C4 L1-L28],

(e2) associating with each account in the at least one electronic database the percentage payment (units) allocated to the original ownership from that account [Champion-Figures 1, 6, 7a-7B; C1 L5 to C3 L55; C5 L64 to C6 L11; C8 L13-L22 – it is known that the payment has to be made to the seller regardless who bought the property, if the property is bought by a company, corporation, or limited partnership, the payment

will be paid from company money (account), if an individual buys the property he/she will pay from his/her account],

(h) allocating said at least one payment from at least said original ownership from related to said future cash flow stream to each respective one of said investor accounts in the at least one electronic database in relation to the percentage of payment allocated to the original ownership from that account [Champion – C4 L1-L28 -- it is known that income is distributed based on ownership, if an individual owns 100% he/she gets 100%, if there are four owners with m%, n%, p% and r% ownership they will share the income based on these percentages].

Champion, explicitly, does not disclose (a) identifying a patent, and
(b) identifying an original ownership of the patent,
(f) granting a license to at least the original ownership to use the patent in exchange for an agreement to pay the future cash flow stream related to the assessed value of the patent,

(d) using at least one algorithm (procedure) for determining a future cash flow stream related to the assessed value of the patent before the time title to the patent is acquired from the original ownership,

(g) collecting at least one payment from said original ownership from said future cash flow stream related to the assessed value of the patent, and

(e) obtaining title to the patent for a subsequent owner in exchange for paying not more than the assessed value of the patent to the original ownership.

However, Risen discloses (a) identifying a patent, and

(b) identifying an original ownership of the patent [Risen - C27 L25-L30],

Reilly discloses (d) using at least one algorithm (procedure) for determining a future cash flow stream related to the assessed value of the patent before the time title to the patent is acquired from the original ownership [see pages 55-64],

(g) collecting at least one payment from said original ownership from said future cash flow stream related to the assessed value of the patent [see pages 55-64].

DeMatteis discloses (f) granting a license to at least the original ownership to use the patent in exchange for an agreement to pay the future cash flow stream related to the assessed value of the patent [pages 245-263].

Additionally, (e) obtaining title to the patent for a subsequent owner (immediate seller) in exchange for paying not more than the assessed value of the patent to the original ownership, is a business choice by the individuals, partners or corporations.

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Champion, and include evaluation and transfer of ownership of financial asset (such as intellectual property) to new owner and payments and accounting procedure for portfolios (fund), as are disclosed by Risen, Reilly and DeMatteis, locate an intellectual property for sale and make appropriate acquisition arrangement (evaluate the property(ies) (intangible assets), search title of ownership (individually owner, co-assignee, assigned to a corporation), make payments to buyer, transfer the title similar to purchasing a property) and license the manufacturing, marketing, etc based on the buyer's business model.

Response to Arguments

2. Applicant's arguments with respect to depending claims have been considered but are moot in view of the new ground(s) of rejection.

Applicant argument failed to point out the missing limitation(s), instead explains the prior arts in general way.

In response to Applicant's argument that "No place in Champion is any mention made or implied of patents ..." one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co., Inc.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

In response to applicant's argument that Champion is nonanalogous art, it has been held that a prior art reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, it shows that money (funds) are collected from investors or individuals (first party) and pooled together for purchasing shares of stocks, bonds, REIT (real estate investment trusts) or other securities by a financial management company or group (mutual fund - second party) from original issuers (large and small corporation - third party) of stocks/bonds of different entities. It is obvious that the certificate of ownership of stocks are issued to investors by the issuers (for example, the Examiner has certificate of ownership of stocks issued by issuer (large US corporation) on my name,

which means the title of N-stocks are given to me and I keep it in locker, in future I may transfer it to my children, sell to an agent for cash or the corporation buy it back from me), since the stocks (securities) are purchased by mutual fund (a financial management company), the title of ownership is transferred to mutual fund. Similarly, an example of Real Estate Holding companies (REIT), a real estate holding company have titles to buildings (portfolio) purchased by investors money, where the investors seek steady income for their investment and contract can be withdrawn that the original owner of a building can rent the building or part of building after the building is sold to continue his business as usual, new owner will honor the terms of lease of the current tenants, or etc.

Re. Claim 4, claim 4 is rejected with same rational as claim 1.

Re. Claim 5, claim 5 is rejected with same rational as claim 2.

Re. Claim 6, claim 6 is rejected with same rational as claim 3.

Conclusion

3. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within

TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Applicant is required under 37 CFR 1.111 (c) to consider the references fully when responding to this action.

FindLaw for Legal Professionals "US Fed Circuit Court of Appeals – Rhone-Poulence v Dekalb Genetics", decided March 26, 2002 discloses a defining patent as a property, patent sale, title and licensing.

Mark Edward Newsome et al, 1996-1997 "Asset Allocation and Mutual Funds" defines mutual funds and asset allocation based on risk and correlation.

[Http://www.finpipe.com/mutual/allocate.htm](http://www.finpipe.com/mutual/allocate.htm)

US 6292788 to Roberts et al, Sep. 18, 2001 " discloses REIT, and methods and investment instruments for investing in real estate are described wherein a portfolio of investment real estate is divided into a plurality of tenant-in-common deeds of predetermined denominations, and which are subject to a master agreement and master lease to form "deedshares." Holders of the deedshares receive a guaranteed income stream from the master lease and yearly depreciation, without having to maintain or manage the real estate.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T. Dass whose telephone number is 571-272-6793. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Harish T Dass
Examiner
Art Unit 3628

8/11/


HYUNG SOUGH
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600